

February 2, 2006

MEMORANDUM

TO: The Honorable Joan Cadden
House Appropriations Subcommittee on
Public Safety and Administration

FROM: Ronald L. Bowers, Administrator
Julie M. Greene, Executive Associate

SUBJECT: Budget Highlights and Analysis Response for the
Property Tax Assessment Appeals Board (E80)

Delegate Cadden, Subcommittee on Public Safety and Administration, thank you for giving us the opportunity to present the Property Tax Assessment Appeals Boards mission, objectives and responses to the DLS analysis.

Please review the attached outline.

PROPERTY TAX ASSESSMENT APPEAL BOARDS

Mission: This agency was established to provide a means for every property owner in the State of Maryland to appeal the valuation established for tax purposes by the Department of Assessments and Taxation.

Goals: To conduct appeals in a timely and efficient fashion and render fair and accurate decisions.

2007 Objectives:

1. Board decisions were mailed to the Petitioner in 15 days instead of 30.
2. Board efficiency improved according to the "How Are We Doing" surveys given to every Petitioner when the decisions were mailed out.

2006 Accomplishments:

1. Keeping board members informed of new developments with The Department of Assessments and Taxation and other laws has helped lower the amount of "reversals" at the Maryland Tax Court. Boards and Supervisors of Assessments will call for advice/and or a visit from the Administrator to discuss mutual problems. Records are monitored at the PTAAB Central Office on all decisions rendered by the Maryland Tax Court and discussed with the appropriate board if necessary.
2. Record keeping and numerous spreadsheets at PTAAB's Central Office helped avert many problems before they could happen.
3. Far fewer cases were carried over to 2006 than any other year on record. Communications with all offices have helped resolve old cases and get them heard.
4. PTAAB rotated the office secretary of Baltimore County, Patty Johnson to other areas in the State that were shorthanded which eliminating work falling behind and the use of a "temp". PTAAB also rotated board members to different counties where boards were lacking in a quorum due to members not being able to show and having to cancel scheduled hearings.
5. Reduced total budget expenses by eliminating PTAAB's State vehicle and cell phones.
6. Record keeping and communications were very important in a Highly successful year for the Property Tax Assessment Appeal Boards.

RESPONSE TO ANALYSIS

PTAAB should be prepared to discuss how caseload affects their efficiency and accuracy. PTAAB should further discuss why they have not seen the expected increase in appeals and how they can reliably estimate caseloads in the future. Additionally, PTAAB should discuss how they will use the results of their customer survey to improve services.

**The caseload does not seem affect the efficiency of any appeal's board. There are very specific guidelines to be adhered to by the boards that show conduct, witnesses, close of hearing, contact with board member and their parties, conflict of interest and acceptance of Gifts. Each "board" hears from the Petitioner and from the Supervisor of Assessments before asking questions and allowing dialogue between both parties. This process is in place regardless of how many or how few cases are heard.

Statistics are kept by each counties Clerk of the Board and forwarded to the Central Office on a monthly basis where they are keyed into a spreadsheet. Caseload does not affect this timely requirement. Also, if a county is overwhelmed or shorthanded with a large quantity of appeals, a clerk from a county that has two is rotated to assist with the workload.

The "boards" forward a copy of the State of Maryland Rules of the Property Tax Assessment Appeal Boards to each Petitioner with a letter that acknowledges receipt of the appeal filed on the account(s) specified on the final notice of assessment. The Petitioner is made aware of the process before attending the hearing.

** To help homeowners deal with large assessment increases, state law has established the Homestead Property Tax Credit for residential properties. The Homestead Credit limits the increase in taxable assessments each year to a fixed percentage. Every county and municipality in Maryland is required to limit taxable assessment increases to 10% or less each year.

The Homestead Credit applies only to the principal residence of the property owner and is bases on the total assessment for the dwelling and land associated with the dwelling.

Residential appeals outnumbered commercial appeals in 2005 by 4,193 to 2,399. Thus far 14 counties have taken advantage of the Homestead Property Tax Credit and lowered the cap from 10% which means fewer appeals are filed. There are still 9 counties and municipalities at the 10% maximum limit.

PTAAB cannot predict what county or municipality will change their taxable assessment to an amount lower than 10%. When the cap is lowered, the amount of residential cases drop according to how low the cap is set.

****Our customer surveys help identify the type of problems property owners/taxpayers are experiencing with the appeal boards. There have been times that specific issues needed to be addressed with a board...those issues were addressed to the satisfaction of the Petitioner. When a problem is identified, the Administrator talks with the Chairman of the Board or meets with the entire Board to resolve the problem. The "How Are We Doing?" survey has been a real positive step in understanding how our boards can better serve the public.**

The customer survey is sent out with the "letter of official notification" of the ruling of an appeal from the Property Tax Assessment Appeal Boards. When a petitioner receives the results of their hearing, they can fill out the postage paid survey and drop in the mail or they may visit PTAAB's website and complete the survey online. Each returned survey with any type of negative response is given a follow-up call to see what can be done to make the petitioner happy, whether that be helping them understand the process better or addressing specific issues.